

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

Caption in Compliance with D.N.J. LBR 9004-1(b)

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In re:

BED BATH & BEYOND INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 23-13359 (VFP)

(Jointly Administered)

**GLOBAL NOTES AND STATEMENT OF LIMITATIONS, METHODOLOGY AND
DISCLAIMERS REGARDING POST-CONFIRMATION QUARTERLY REPORT FOR
20230930-DK-BUTTERFLY-1, INC. (f/k/a/ BED BATH & BEYOND INC.) FOR THE
QUARTER ENDED MARCH 31, 2024**

20230930-DK-Butterfly-1, Inc. (f/k/a/ Bed Bath & Beyond Inc.)(Case No. 23-13359), the lead debtor (“Lead Debtor”) of the 74 entities that filed voluntary petitions on April 23, 2023 (collectively, the “Debtors”)² initiating cases under chapter 11 of the Bankruptcy Code (the “Chapter 11 Cases”), has filed the attached post-confirmation report (the “PCR”) for the quarter January 1, 2024 – March 31, 2024 (the “Reporting Period”). Michael Goldberg, solely in his capacity as the Plan Administrator to 20230930-DK-Butterfly-1, Inc. (f/k/a/ Bed Bath & Beyond Inc.) and affiliated debtors (the “Plan Administrator”) prepared the PCR with the assistance of

¹ The last four digits of Debtor Bed Bath & Beyond Inc.’s tax identification number are 0488. A complete list of the Debtors in these chapter 11 cases and each such Debtor’s tax identification number may be obtained on the website of the Debtors’ claims and noticing agent at <https://restructuring.ra.kroll.com/bbby>.

² Pursuant to the *Certificate of Amendment of the Certificate of Incorporation of Bed Bath & Beyond Inc.*, which was filed with the State of New York Department of State on September 21, 2023, the name of the entity formerly known as “Bed Bath & Beyond Inc.” was changed to *20230930-DK-Butterfly, Inc.* [Filing ID No. 230921001833 DOS ID 315602].

and reliance on his advisors, his professionals and certain of the Debtors' retained employees.³ The PCR was prepared solely for the purpose of complying with the post-confirmation quarterly reporting requirements established by the United States Trustee Program (see <https://www.justice.gov/ust/chapter-11-operating-reports>). The PCR should not be relied upon by any persons for any information concerning current or future financial conditions or events relating to the Debtors or their estates.

The financial information contained in the PCR is preliminary, unaudited, limited in scope, and is not prepared in accordance with accounting principles generally accepted in the United States of America nor in accordance with other applicable non-bankruptcy law. In preparing the PCR, the Plan Administrator relied on financial data from the limited books and records of the Debtors available to him during the preparation of the PCR, as well as certain filings on the docket in the Chapter 11 Cases. Although the Plan Administrator made commercially reasonable efforts to ensure the accuracy and completeness of the PCR, inadvertent errors or omissions may exist.⁴ The Plan Administrator reserves the right to amend and supplement the PCR as may be necessary or appropriate.

Part I: Summary of Post-Confirmation Transfers

1. Cash Disbursements: For the purpose of determining "disbursements," the Plan Administrator has excluded disbursements made from funds on which the Debtors previously paid quarterly fees to the Office of the United States Trustee (the "oust"). Pursuant to the Plan and Confirmation Order, on or about September 29, 2023, the Plan Administrator is informed and believes that the Lead Debtor transferred \$11,087,699.25 (the "Fee Reserve Funds") to an account controlled by the Debtors' former bankruptcy counsel Kirkland & Ellis ("K&E") to hold reserves for professional fees and expenses (the "Professional Fee Reserve"). The transfer of the Fee Reserve Funds was reflected as a disbursement on the Lead Debtor's final monthly operating statement for September 2023.⁵

Because the Lead Debtor already satisfied the United States Trustee fees ("UST Fees") allocable to the Fee Reserve Funds at the statutory maximum amount of \$250,000, the Plan Administrator will not pay UST Fees on Fee Reserve Funds when they are further disbursed to Professionals to prevent paying UST Fees on those funds a second time. As is summarized below in Part 2, the Plan Administrator is informed and believes that K&E distributed \$\$1,418,940.00 from the Fee Reserve Funds to Professionals during the Reporting Period.

³ The Plan Administrator was appointed pursuant to the *Second Amended Joint Chapter 11 Plan of Bed Bath & Beyond Inc. and Its Debtor Affiliates* [Docket No. 2160] (as amended, the "Plan"), which was confirmed on September 14, 2023. See *Findings of Fact, Conclusions of Law, and Order (I) Approving the Disclosure Statement on a Final Basis and (II) Confirming the Second Amended Joint Chapter 11 Plan of Bed Bath & Beyond Inc. and its Debtor Affiliates* [Docket No. 2172] (the "Confirmation Order"). On September 29, 2023, the effective date of the Plan occurred (the "Effective Date"). As of the Effective Date, the Plan Administrator is authorized to implement the Plan and any applicable orders of the Bankruptcy Court.

⁴ The Plan Administrator and his agents, employees, advisors, attorneys, and other professionals, as applicable, do not guarantee or warrant the accuracy or completeness of the data that is provided in this PCR.

⁵ See Docket No. 2532, page 2.

In addition, the Plan Administrator has generally excluded from “cash disbursements” the following categories: intercompany transfers, OUST Fees paid for prior quarters, proceeds of irrevocable standby Letters of Credit which are being held as collateral.

2. Non-Cash Securities Transferred: The Plan Administrator did not transfer any non-cash securities (e.g., stocks or bonds) during the Reporting Period.

3. Other Non-Cash Property Transferred: The Plan Administrator did not transfer any other non-cash property (e.g., real estate or personal property) during the Reporting Period.

Part II: Preconfirmation Professional Fees and Expenses:

Part 2(a): Other than as disclosed in Part 2(a), the Plan Administrator did not make any payments to the Debtors’ and/or the Committees’ bankruptcy professionals on account of preconfirmation fees and expenses during the Reporting Period. The Plan Administrator is informed and believes, however, that K&E made payments to professionals on account of pre-confirmation fees and expenses (bankruptcy) as detailed below from the Fee Reserve Funds during the Reporting Period. K&E disburses the funds and maintains the records with respect to the Fee Reserve Funds and the Professional Fee Reserve. Accordingly, the Plan Administrator has relied on the information provided by K&E to disclose the disbursements from the Fee Reserve Funds below.

Preconfirmation Fees & Expenses (bankruptcy) Incurred By or on Behalf of the Debtor and Paid from the Fee Reserve Funds						
	Firm Name	Role	Approved Current Quarter	Approved Cumulative	Paid Current Quarter	Paid Cumulative
	Professional fees and expenses (bankruptcy) incurred by or on behalf of the debtor					
<i>Aggregate Total</i>			\$410,193	\$26,524,452	\$410,193	\$26,524,452
i	Kroll Restructuring Administration	Other	40,392	4,886,766	40,392	4,886,766
ii	Kirkland & Ellis	Lead Counsel	369,801	14,091,067	369,801	14,091,067
iii	Cole Schotz P.C.	Lead Counsel	0	1,627,330	0	1,627,330
iv	Alvarez & Marshal LLC	Other	0	3,260,001	0	3,260,001
v	Pachulski Stang Ziehl & Jones	Lead Counsel	0	2,659,288	0	2,659,288

Part 2(b): Other than as disclosed in Part 2(b), the Plan Administrator did not make any payments to the Debtors’ nonbankruptcy professionals on account of preconfirmation fees and expenses during the Reporting Period. The Plan Administrator is informed and believes, however, that K&E made payments to professionals on account of pre-confirmation fees and

expenses (nonbankruptcy) as detailed below from the Fee Reserve Funds during the Reporting Period. K&E disburses the funds and maintains the records with respect to the Fee Reserve Funds and the Professional Fee Reserve. Accordingly, the Plan Administrator has relied on the information provided by K&E to disclose the disbursements from the Fee Reserve Funds below.

Preconfirmation Fees & Expenses (nonbankruptcy) Incurred By or on Behalf of the Debtor and Paid from the Fee Reserve Funds						
	Firm Name	Role	Approved Current Quarter	Approved Cumulative	Paid Current Quarter	Paid Cumulative
	Professional fees and expenses (non bankruptcy) incurred by or on behalf of the debtor					
	Aggregate Total		\$1,008,747	\$1,306,899	\$1,008,747	\$1,306,899
i	Perkins & Coie	Legal Counsel	0	26,840	0	26,840
ii	Ask LLC	Other	0	91,280	0	91,280
ii i	Gibbon P.C.	Other	0	180,032	0	180,032
i v	Deloitte LLP	Financial	953,419	953,419	953,419	953,419
v	Jackson Lewis PC	Other	6,489	6,489	6,489	6,489
v i	Lerner David	Other	37,895	37,895	37,895	37,895
v ii	Duane Morris	Other	10,944	10,944	10,944	10,944

Part III: Recoveries to Holders of Claims and Interests Under Confirmed Plan:

“Total Anticipated Payments Under Plan” are unknown at this time and will depend on, among other factors: (i) continuing claims reconciliation efforts and the resultant final allowed amount of such claims; (ii) the amount of collected receipts from litigation and liquidation of other miscellaneous assets; and (iii) the duration of the wind-down process and the resulting cumulative operating expenses of the estates. Accordingly, a figure of “\$0” has been entered in the PCR in the columns “Total Anticipated Payments Under Plan,” although all distributions made during the current Reporting Period and on a cumulative basis are listed in Part 3.

The claims reconciliation process is ongoing and the Plan Administrator is not able to determine at this time the total amount of claims that will be allowed. As such, reporting with respect to the anticipated total amount of “Allowed Claims” of all priority levels (or administrative or general unsecured levels) is not presently possible. Reported in Part 3 of the PCR under the heading “Allowed Claims” is information regarding claims (i) that are allowed and not subject to further objection and (ii) as to which distributions were sent prior to the close of the Reporting Period. Claims that are currently disputed or that have not yet been reconciled, or whose holders have not provided requested tax identification documentation, are not reflected in the PCR as Allowed Claims or otherwise and, therefore, the final Allowed Claims pool likely will be higher than as reflected herein. As and when disputed claims (including unreconciled

claims) become allowed, they will be added to the Allowed Claims total. Pursuant to the Plan, no distributions will be made on account of equity interests.

Part 3(a) Administrative Claims: The Plan Administrator did not make any payments on account of Allowed Administrative Claims in the Current Quarter.

Part 3(b) Secured Claims: Amounts listed as “Paid Current Quarter” reflect payments of principal and interest to secured creditor Sixth Street Specialty Lending, Inc, (6th Street”) and distributions of the proceeds of certain Letters of Credit.

Part IV: Questionnaire:

The Plan Administrator cannot currently anticipate, with any degree of certainty, when he will file an application for a Final Decree closing the Chapter 11 Cases. Accordingly, the date of December 31, 2026 is being used merely a placeholder. The actual date of filing an application for a Final Decree depends on many factors, including but not limited to the duration of litigation and other asset collection and liquidation efforts, and the resolution and reconciliation of claims and the wind down process. The Plan Administrator reserves the right to amend or extend this tentative projected date.